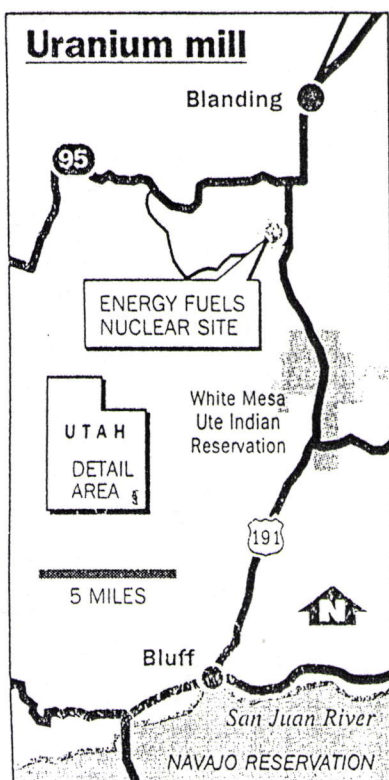


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Energy Fuels to resume operations

Besides reopening its uranium mill, firm also aims to dispose of tailings.

By Brent Israelsen
Deseret News staff writer

Despite a big financial setback earlier this year, a Denver-based energy company is set to resume uranium processing operations at its White Mesa Mill near Blanding.

Energy Fuels Nuclear Inc. also is pursuing a controversial plan to become a disposal site for radioactive waste. That pursuit is angering people who thought they had successfully beaten back the idea last December.

Beginning the first week in August, Energy Fuels will begin converting some 200,000 tons of uranium ore into yellowcake, which is made into fuel for nuclear power plants.

Company president Harold Roberts said the company has contracts to provide the yellowcake to customers in the United States, Japan and Europe.

The mill, located about three miles south of Blanding, is scheduled to be in full operation for about six months, employing 92 people in around-the-clock shifts, Roberts said. Salaries are expected to average \$12 to \$14 per hour. The total economic boost to San Juan County, Utah's poorest region, is estimated at \$15 million.

"Those are the type of jobs that people who have left the area come back for because they can make a living on those jobs," said Rick Bailey, administrative assistant for the County Commission.

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have been depressed, mainly because of reduced demand and because of an abundance of ore dumped on the international market by foreign countries. Once selling at \$42 per pound during the Cold War, the price dipped to under \$10 last year.

"We're seeing an upward movement now," said Roberts. **Uranium is currently selling at just under \$12 per pound.**

Though activity is hopping at the White Mesa Mill now, the future is as uncertain as the uranium market. There's no guarantee that the 92 jobs will continue unless Energy Fuels is able to find additional customers.

Still, news of Energy Fuels' mill run has sparked some renewed interest in uranium mining in the Four Corners region, Roberts said.

The uncertainty of the company's future is helping to fuel its continued quest to become a dump site for a huge pile of radioactive mill tailings lying in Monticello, 30 miles to the north.

Under Energy Fuels' proposal, the tailings would be hauled by truck to the White Mesa Mill property for disposal.

Last year, Thomas Grumbly, assistant secretary for the U.S. Department of Energy, ruled against that proposal, opting to keep those tailings in Monticello.

Grumbly said his decision is final, but that hasn't deterred Roberts, who said his company still believes hauling the Monticello tailings to White Mesa is the best option for the community and the environment. Overturning Grumbly's decision would take an overruling by Energy Secretary Hazel O'Leary, a court ruling or an act of Congress.

Roberts declined to comment on which strategy his company is pur-

suing. Most likely, however, it is pursuing an appeal through DOE channels.

"From a legal-technical view, (reversing Grumbly's decision) may be possible," said Steve Erickson, spokesman for Downwinders, an anti-nuclear group. "But I don't think the public will support them in the use of (the mill site) as a tailings dump."

Roberts counters Erickson's argument by noting that the public was evenly divided on the issue. The DOE's own "site-specific advisory board," composed of local citizens, voted in favor (10-9) of hauling the tailings to White Mesa.

If not successful politically, opponents hope the company's shaky financial footing plays into any decision.

"We have to question whether it's in the best interest of Utah to allow a company in this much financial disarray to move forward with a project of this importance and magnitude," Erickson said.

The most vocal opponents to the truck haul option have been Native Americans, particularly the White Mesa Ute Tribe, whose reservation is a few miles south and down-gradient from the Energy Fuels mill. The Indians feared traffic safety, groundwater contamination and the general corruption of an area they deem sacred to their ancestry.

As part of the effort to oppose the hauling option, tribal leader Norman Begay objected to Energy Fuels' application for a Nuclear Regulatory Commission license amendment that would permit the company to accept the Monticello tailings, dependent on the DOE decision.

In light of DOE's decision against the hauling option, Begay asked the NRC to dismiss Energy Fuels' application.

Earlier this month, the NRC denied that request, effectively giving Energy Fuels until Oct. 1 to reverse the DOE decision.

Noting that the area was once a hotbed of uranium mining activity, Bailey said county leaders are glad to have Energy Fuels back in operation. "They've been a good neighbor over the years."

Though Energy Fuels' plans to reopen the mill have been in the making for several years, the prospect looked bleak in February, when majority owner Oren Benton filed for bankruptcy and was unable to meet his financial obligations to the company.

Roberts was able to persuade the bankruptcy judge to let Energy Fuels proceed with the milling operations at the White Mesa Mill by arranging for three Swiss utilities to finance the ore-processing run. The utilities have been partners in Energy Fuels since 1977.

The uranium industry in the West has been in a slump for more than 10 years. Uranium prices

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